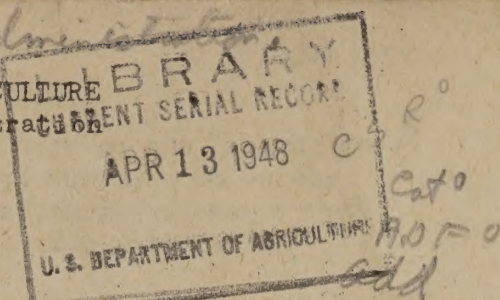


UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois
December 2, 1947



Reserve

FOOD MARKETING NEWSLETTER

Tariff concessions to stimulate trade among nations can't be fully effective unless the supply of currency available to trading nations is ample to balance out deficits between the value of goods sold and purchased.

If trade develops on a one-way "we sell-you buy" basis, currency to balance the deficit naturally accrues to the nation which buys the most, sells the least. Witness the World War I trade era. That nation today, as after World War II, is the U.S.A.

That's why Canada was recently forced to impose restriction and prohibitions on many farm products which she had been purchasing from the U.S. The unbalanced trade was sucking too many dollars away from Canadian reserves.

The action of the Canadian Government establishes quotas limiting the importation of fresh and dried potatoes, sweet potatoes and yams, fresh apples, grapefruit, oranges, lemons, limes and onions. In each case, the quota is equal to an amount equivalent to 200 percent of the average value of such products imported in 1937, 1938, and 1939.

Prohibited items are fresh grapes, pears, apricots, cherries, plums, prunes, peaches, cranberries and other berries, melons, tomatoes, and other fresh vegetables, canned and frozen fruits and vegetables, and fruits and vegetables otherwise preserved.

* * *

Market news sensation of the season is the strong tone that's developed in the hog markets. Veteran observers had predicted substantially lower hog values with the heavy receipts that usually come onto the market at this time. The heavy receipts showed up, but the values didn't go low, nor did they stay at the bottom of their dip very long.

Levels of around \$24.50 to \$25.00 prevailed for a couple of weeks. Then, although marketings continued heavy, prices moved upwards, and now stand at around \$26.00 to \$26.50...fully \$1.25 and more above the low point.

The trend from here on out is disputed...some believe the low point has been passed, others believe prices will again decline. Whatever happens, who's right should be established within two or three weeks.

Part of the reason the market can take such heavy receipts is that the full impact isn't felt by consumer demand since much of current production is side-tracked into storage. This maintains supplies at inadequate levels. When the stored pork does get to market, it will have to reflect \$25.00 live hogs plus the additional storage charges.

* * *

U.S.D.A. wheat purchases now add up to 213,812,236 bushels...188,736,275 bushels as whole grain and 25,076,561 bushels in the form of flour. This amounts to about 15 percent of the combined wheat available this year (1947 production plus July 1 carryover). Thus, purchases since July 1, have been at the rate of about 3 percent per month of the total supply.

* * *

While on the subject of U.S.D.A. food purchases, a significant statement was made by Secretary of Agriculture Anderson about government food holdings. The Secretary pointed out that total U.S.D.A. price support food stocks amount to only one-tenth of one percent of this year's total food production. If dumped on the market, it would add only about one-third of one day's supply of food to the national kitchen. The Secretary pointed out that with-holding of this small quantity of food from the market could have little effect on overall food prices.

* * *

Main cost items in the retailing of fresh fruits and vegetables are losses from waste and spoilage. Which products are most susceptible to loss? How costly are the losses?

The answer to these and other relevant questions have been smoked out by a recent survey conducted by the U.S.D.A.'s Bureau of Agricultural Economics. Here are some of the findings: The average rate of loss on all fruits and vegetables at the retail level amounts to about 6.9 percent of the retail value of the quantity handled. Average loss on fruits was 6.6 percent, perishable vegetables 8.5 percent, hardware vegetables 2.9 percent.

Garbage loss (total) made up 4.3 percent of the total 6.9 percent loss figure. Markdown loss amounted to 1.5 percent, concealed loss (received in shipment), 1.1 percent.

Dollar losses were highest on bananas, oranges, lettuce, tomatoes, melons, peppers, apples, cauliflower, and escarole, in the order named.

* * *

U.S. consumption of cotton during October (826,200 bales) was 14% larger than in September, but 11.5% below October last year. The daily rate of consumption was a little more than 7% larger than in September, and 10% below October last year. Consumption of cotton for the first three months of this year was at an annual rate of a little under 9 million bales. Stocks in consuming establishments at the end of October (1,479,000 bales) were 30% larger than at the end of September, but 27% below those of October 31 last year. At the October rate of consumption mill stocks on November 1 were equal to less than two months' supply.

* * *

U.S.D.A. has disposed of 153,903 pounds of dried whole eggs from stocks acquired under price control. This dried powder was recently offered at 65¢ per pound for export. The Poultry Branch, P.M.A., will continue to accept offers at 65¢ for export. Legal restrictions prevent sale of the product in domestic trade channels.

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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois
DECEMBER 9, 1947

FOOD MARKETING NEWSLETTER

Last week's additional advances in prices of grain by-products feeds and other commercial livestock feeds, brought feeding ratios to additionally unprofitable levels.

By December 3, on the basis of Chicago prices, the corn-hog ratio stood at 10.0, compared with a pre-war average of 12.3. The corn-cattle ratio was 11.4 compared with 14.4 pre-war.

The ratios will result in the conservation of grain all right...but they will also lead to marked reductions in livestock numbers.

Meanwhile, hog marketings are at record and near-record levels. Total receipts at Chicago on Monday, November 8, were the largest of the season. Last week's arrivals at the Interior-Iowa Southern Minnesota direct buying stations reached an all-time record, but the week's price levels stood 25 to 75¢ higher at the end of the trading period. And while Monday's heavy run brought reduction of 25¢ to 70¢, Tuesday's market held steady despite additionally heavy receipts.

Wheat marketings also continue in heavy volume. More than 10-3/4 million bushels poured into terminals last week, an increase of almost 2-1/2 million bushels above the previous week's receipts. Income tax considerations appear to be no deterrent.

Little government activity is detectable in the grain markets. Some observers hold that buying will be at a minimum until crop developments give a better picture of the prospective winter wheat crop and European production. It now appears that announced exports goals can be reached and still leave a July 1 carryover in excess of the 83 million bushels on hand last July 1.

While on the subject of food purchases, exports so far this year exceed food imports by only about \$500,000,000 in value. Total exports amounted to about \$1,771,007,000 in the first 9 months of this year, an increase of \$51,680,000 over the corresponding 1946 period. Imports in the corresponding period increased 246,419,000. As of October 1, all imports* totalled nearly 4.2 billion dollars, the largest since 1920. (* Food and non-food)

The industry requested government purchase program, designed to assist in the culling of "loafers" from farm laying flocks has been amended to provide a more profitable handling margin for dealers. Open market receipts have been heavy, especially for fowl, but no government purchases have yet been necessary.

The fact that speculators may avoid income tax on profits in commodity futures has contributed to increase the volume of speculative trading in the futures market according to Secretary of Agriculture Clinton P. Anderson.

The Secretary's statement was made on the basis of a report "Futures Trading and Income Tax" prepared by the Commodity Exchange Authority. The report contains the results of a special investigation of keeping offsetting trades open in the same future after financial results are definitely established.

* * *

In accordance with the Sugar Act of 1948, a public hearing is to be held with reference to the determination of 1948 sugar consumption requirements for the continental United States, and the establishment of Marketing Quotas. The hearings will be held December 16 in Washington.

* * *

Purchase of Irish potatoes will be resumed in some of the late potato states, as needs arise, to assure producers of support prices. States notified of the re-opening of the program include New York, Vermont, Maine, Massachusetts, Connecticut, North Dakota, Iowa, Nebraska, Wisconsin, Rhode Island, New Hampshire, Minnesota, South Dakota, and Michigan. State Production and Marketing Administration offices have been notified that such purchases will be used in the School Lunch Program and other human consumption outlets, or placed in storage.

* * *

Another USDA purchase program, announced December 4, contemplates the acquisition of approximately 6 million pounds of American Process Cheese for use in school lunch programs. The cheese will be purchased as 5-pound loaf packages, 6 loaves per domestic case. January delivery is desired. Distribution will be made principally east of the Mississippi River.

* * *

The Commodity Credit Corporation has around 35 thousand bushels of cured sweet potatoes up for sale to dealers and other interested persons. They will be sold in lots of not less than 1000 baskets, on terms and conditions that will assure orderly marketings of the Government's inventory at prices comparable with market quotations.

The sweet potatoes were purchased and stored this fall by the Department at various points on the eastern shore of Maryland and Virginia. They were purchased, under price support provisions of the Steagall amendment, at the peak of the harvesting season from growers who lacked adequate storage facilities and who could not market them at support price levels.

* * *

Total distribution of sugar by primary processors in the United States through October amounted to 6,753,177 short tons, raw value. In the same 1946 period, 5,086,218 short tons were delivered. This year's exports from the above stocks came to 214,670 short tons compared with 357,709 short tons in the same 1946 period. Total deliveries for U. S. consumption in the 10 months this year amounted to 6,538,507 tons as against 4,728,509 tons in 1946. October 31 stocks on hand totalled 911,494 short tons vs. 833,724 short tons on October 31, 1946.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois
December 16, 1947

FOOD MARKETING NEWSLETTER

A LOT OF FOOD MOVED INTO STORAGE DURING NOVEMBER. Occupancy of public cooler space December 1 was 7 points above the 1942-1946 average. Total cold storage stocks on that date amounted to 4.8 billion pounds, an all-time record. Frozen poultry holdings moved to within 4 million pounds of the 1945 all-time record, and stocks of fowl in freezer storage were 11 million pounds larger than ever before.

Refrigerated meat holdings increased 127 million pounds during the month, and were greater than the December 1 average from 1942 through 1946. The movement of beef and pork into storage was 66-2/3 percent larger than average.

Here is a comparison of Government food holdings with total stocks in storage. These Government holdings include stocks held by Dairy Products Marketing Association (a semi-private organization); the United States Department of Agriculture; the Armed Forces, and other agencies.

ITEM	TOTAL STORAGE STOCKS	GOVERNMENT STOCKS	PER GOVERNMENT STOCKS OF TOTAL
Butter	46,000,000 lbs.	2,538,000 lbs.	5½%
Shell Eggs	800,000 cases	12,000 cases	1½%
Frozen Eggs	189,596,000 lbs.	57,562,000 lbs.	33-1/3%
Dried Eggs	35,954,000 lbs.	33,406,000 lbs.	92-9/10%
Poultry	317,000,000 lbs.	5,182,000 lbs.	1-3/5%
American Cheese	151,445,000 lbs.	687,000 lbs.	2/5 of 1%
Pork	270,000,000 lbs.	3,135,000 lbs.	1-1/10%
Beef	130,000,000 lbs.	5,169,000 lbs.	3-9/10%
Lamb & Mutton	11,893,000 lbs.	2,017,000 lbs.	17-2/5%
Veal	10,570,000 lbs.	196,000 lbs.	1½%
All Principal meats	422,463,000 lbs.	10,571,000 lbs.	2½%

IF THE WEATHERMAN COOPERATES, food processors, handlers and distributors should have ample supplies of most commercial truck crops through the first three months of 1948. Commercial production is expected to be larger than last year, 26 percent above average. Acreage of the 13 major crops is up 13 percent; yield per acre is expected to be better, too. Winter vegetable crops expected to be produced in quantities -- larger than average and last year are green lima beans, beets, cabbage, carrots, celery, escarole, lettuce and shallots. Expected to be produced in quantities smaller than last year and average are artichokes, kale, and green peas. The 1948 winter cauliflower crop is reported 18 percent below last year but 23 percent above average. Little children will be interested to learn that spinach production will be 9 percent below average, but 13 percent above last year.

* * *

SMALLER EXPORT ALLOCATIONS OF FATS AND OILS for the first 1948 quarter than in the same period in 1947 have been announced by U.S.D.A. The allocations for the period (January through March) total 87 million pounds, vs. a total of 145.8 in the corresponding 1947 period.

The new allocations call for a 63.8 million pounds of fats and oils for commercial (private) shipment; 23.2 million pounds of shelled peanuts on an oil content basis to be supplied by the Commodity Credit Corporation. The shelled peanuts are destined for Germany, U.S. occupied areas in the Pacific and other recipients in Government export programs.

The commercial allocations include (fat content basis) 34.5 million pounds of lard; 2.2 million pounds of margarine, 12.7 million pounds of shortening and other edible oils, 30,000 pounds of drying oils, 8.1 million pounds of inedible fats and oils, and 6 million pounds of soap.

* * *

U.S.D.A. WHEAT ACQUISITIONS through the Commodity Credit Corporation amounted to 707,518 bushels in the period from noon December 5 to noon December 12. Flour purchases in the same period amounted to 4,821,541 bushels in terms of wheat equivalent. CCC also bought 21,412 bushels of barley in the same period.

The total wheat purchases since July 1 amount to 190,881,935 bushels, and the equivalent of 29,898,102 bushels of wheat in the form of flour. Cumulative total for barley is 5,208,805 bushels; oats, 5,279,958 bushels; grain sorghums 3,562,661 bushels; rye, 18,857 bushels; corn, 2000 bushels.

* * *

THE PRODUCTION AND MARKETING ADMINISTRATION'S DAIRY BRANCH is meeting with some success in its drive to dispose of its' holdings of dried eggs.

Sales last week amounted to 582,403 pounds, and brought the cumulative sales total to 892,113 pounds. Last week's sales were made at a price of 65¢ a pound.

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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

December 22, 1947

FOOD MARKETING NEWSLETTER

Another harbinger of smaller meat supplies in 1948 is the Department of Agriculture's Pig Crop Report released late last week.

Important in the report is not that the 1947 crop was 1 percent larger than that of the previous year -- most of the hogs have gone to market, and the remainder will be converted into pork within two months.

What is significant is that the 119,000 farmers contacted in the survey are substantially reducing the number of sows kept to farrow next spring.

On a national basis, the reduction amounts to about 11 percent. This would bring the number to the lowest point since 1938.

It means that most of the gains in hog production which have been made since the drought-depression liquidations of the early 1930's will have been wiped out.

It also means smaller production of critically needed fats and oils. It will probably mean that the war-born fat salvage program must be intensified.

Tied in with the decline in cattle and sheep populations, it means, of course, smaller supplies of meat.

If employment and incomes hold at present high levels, competition for meat would grow more severe than at the present time.

One bright spot in the picture is that the reduction in hog numbers will reduce requirements for feed grains.

Of course, it must be recognized that hog production has always been more sensitive to contemporary influences than is the case with cattle and sheep.

Hog numbers can decline more quickly, increase more rapidly.

So the decline in production could be compensated for with comparative ease if feed prices and supplies develop a more favorable trend next summer.

The effect of the prospects of less pork are already being felt in the market which failed to respond to the heavy marketings this fall to as great an extent as usual. But the reduction in pork supplies should not be felt until the fall of 1948. Actually, spring or summer pork supplies should be larger than in spring of 1947 since this year's fall crop is estimated to be about 3 percent larger than the 1946 fall crop.

Another note of interest in the December 19 report is that statement that the number of pigs on farms this year was smaller than in 1946 despite an increase in the hog supply because of the larger pig crops last spring and this fall. This further explains observations that marketings this fall have been heavier than usual and earlier than usual.

COMMODITY CREDIT WHEAT PURCHASES since last July 1 now total 190,881,935 bushels. An additional 29,898,102 bushels have been purchased in the form of flour.

This brings total USDA wheat acquisitions to nearly 221 million bushels -- not quite 10 percent of the total supplies available for all purposes this year.

Only 2,000 bushels of corn have been purchased by CCC since the first of the fiscal year (July 1); 5,208,805 bushels of barley, 5,279,958 bushels of oats; grain sorghums, 3,562,661; and rye, 18,857 bushels.

Additional pressure on world supplies of fats and oils will result from the decline in world-wide production of soybeans. The world crop this year is estimated to be the smallest since 1940. U.S. production is down about 10 percent.

USDA is in the market for 150 thousand sacks of certified seed potatoes. The potatoes are to be purchased by CCC on the basis of offers from certified dealers, for shipment to Austria during January and February. Varieties to be included are Chippewa, Katahdin, Green Mountain, and Cobblers. It's expected that delivery will be required in time to reach an eastern port on or about January 15.

More commercial fertilizer will be available to the United States during the 1947-48 period than ever before --- supplies will be double those of pre-war.

Compared with last year, there'll be 5 percent more potash, 4 percent more nitrogen, and 6 percent more phosphate.

However, these supplies won't be sufficient to meet farmer needs. Nitrogen will be especially short, and potash will be in light supply in view of demand. Supplies of phosphate are expected to be more nearly adequate.

In winding up this, the last issue of FOOD MARKETING NEWSLETTER to reach you before the start of the New Year, a brief review of this year's food supply might be in order. Total crop production in the year was only a little below the average of the best 5 years in our nation's history. Only in 1942, 1944, and 1946 was all-crop production larger. In spite of the disappointing corn crop, the high level of production of other crops especially food and oil crops, held the volume up.

Aggregate volume of the crops was 120 percent of the 1923-32 (pre-drought) average. The highest indices before the war were 112 and 110, in 1937 and 1941 respectively. More than 348 million acres of the 52 principal crops were harvested...the largest since the 1928-1932 period.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois
December 31, 1947

FOOD MARKETING NEWSLETTER

As we enter the New Year, we hear many conflicting statements about our food supplies in 1948 --- that supplies of some foods may be seriously short--- the probability that food prices will go higher --- that we cannot endanger our own food supply in order to feed foreigners.

Our food supplies and our export program to feed the needy in foreign lands are based on the production of American farms, a production that in 1947, was 20% greater over-all than before the war. Our farmers took a serious "licking" from the weather as far as corn was concerned in 1947, but came through again with another tremendous production --- one only slightly below the average for the years 1942 through 1946, the best five years in the history of the nation's Agriculture.

Let's take a look at the food and feed inventory upon which we can depend for 1948:

Food Grains --- 43,600,000 tons, largest on record. Previous high, in 1946, was 37 million tons. Record crops of wheat and rice --- above average buckwheat. Rye, two-thirds of average.

Feed Grains --- 96,000,000 tons. Below average due to drop in corn and barley production. Above average crops of oats and grain sorghums. To supplement these, are ample stocks of hay, roughage, and late pastures which enabled farmers to save much grain, and relatively large carry-overs of corn and oats.

Oil Seeds --- 12,400,000 tons, 2.2 million tons above average. Peanut crop largest on record. Flaxseed, the third largest. Soybeans a little less than 1946, but well above 10-year average. Cottonseed, one-third above 1946.

Pulses --- Edible dry beans 17 million (100 lb.) bags, one million above average. Dry peas, 6,500,000 bags --- 1-1/2 million above.

Fruits --- Deciduous crop only 6% below average. Apples 112 million bushels. Peaches 83 million bushels. Pears, a record 35 million. Grapes, 3,090,000 tons --- 1/2 million above average. Near record citrus crop being harvested. 108,300,000 boxes of oranges --- 30% above average. 62,300,000 boxes of grapefruit --- 3 million above last year. 14,100,000 boxes lemons --- 1/2 million above 1946. From these and other bountiful crops of lesser fruits were processed more than adequate supplies of canned fruits, juices, and preserves. Supplies of dried fruits are more than ample. Tree nuts --- 12% above average.

Vegetables --- 1948 production for processing was 5,500,000 tons --- 21% above average. With carry-over from 1946 production, an ample supply of canned and frozen vegetables is assured for 1948. For fresh market, 1948 acreage of 13 winter crops is 26% above average. The potato crop --- 384 million bushels -- about 9 million above estimated needs.

Meats --- Though cattle, hog, and sheep numbers on farms are down as a result of heavy slaughter and high feed costs, and 1948 marketing will be reduced, the nation's meat supply is expected to provide 143 pounds per capita.

This will be 13 pounds less than we ate in 1947, but 17 pounds more per capita than we consumed before the war. Total meat production in the year ahead is estimated at 21.3 billion pounds dressed weight compared to 23 billion in 1947.

Poultry and Eggs --- Because feed prices are high, fewer chickens will be raised on farms in 1948, but current culling program to conserve grain is not expected to reduce numbers of layers on farms January 1 below 430 million. The culling has helped to increase the rate of lay per hen. This year U.S.D.A. was required to buy 10 million cases under price support. In 1948, the Department hopes that it will not be required to buy as many eggs. The goal is 4.2 billion dozen or enough to supply 375 per capita. Poultry flocks will be adequate to meet U.S.D.A. needs and poultry meat consumption including turkey is expected to be a little less per capita in 1947 when it totaled about 28 pounds, but will still be 25 percent above 1935-39.

Dairy Products --- U.S.D.A. has set a production goal of 120 billion pounds of milk for 1948 --- the same as 1947. This should supply as much milk for consumers as in 1947. Supplies of dry, evaporated and condensed milk are expected to continue as adequate as in 1947. There will probably be more cheese for American consumers due to the drop in export demand.

FATS AND OILS

Production of edible vegetable oils will be larger in the first half of 1948, because cottonseed crop was a third larger and there was only a moderate decrease in the soybean crop. Output of these oils in the latter half of 1948 will depend on next year's cottonseed and soybean production. Acreage goals are larger for both crops. Lard: Supply will be less if exports remain on the same scale as in 1947, because hogs are being marketed at lighter weights to save short and expensive feed. Butter: Supply will be slightly larger.

SUGAR

All present indications point to an ample supply for all possible needs. Consumption should exceed this year's 95 to 98 pounds per capita. Cuban crop prospects indicate output equal to 1947 record of 6,450,000 tons. All other supply sources report good crop production prospects; also foreign nations lack the money to buy their normal requirements.

* * *

There will be no lag in the farm production program in the year ahead. The 1948 acreage goals total 356 million acres --- 296 million of cultivated crops and the balance, hay crops. The goals exceed 1947 actual acreage by 9 million acres. Underlying the continuing high goals (about wartime levels), is the recognition of this country's high consumption requirements and the world need for food. God willing, we can look ahead for ample food stocks with which to meet the challenge of 1949.

* * *

We wish you a Happy and Prosperous New Year.